1
27

Foreign CROPS AND MARKETS

VOLUME 65 NUMBER 22

SOYBEANS (Page 501)

TOBACCO (Page 515)

PICKLED OLIVES (Page 503)

FOR RELEASE

MONDAY

DECEMBER 1, 1952

CONTENTS

UNITED STATES DEPARTMENT OF AGRICULTURE
OFFICE OF FOREIGN AGRICULTURAL RELATIONS
WASHINGTON 25, D.C.

LATE NEWS

Transshipments of Mexican cotton through United States ports in August totaled 112,000 bales (of 500 pounds gross) excluding shipments by railroad to Canada but including linters and waste. The principal destinations were Japan 70,000 bales, Western Germany 8,000, Netherlands 8,000, Belgium 8,000 United Kingdom 5,000, Switzerland 2,000, Finland 2,000, and France 2,000. Transshipments to all destinations in 1951-52 totaled 913,000 bales plus approximately 31,000 bales to Canada by railroad, according to Canadian import statistics.

- - - - -

Imports of cotton into the United States in September totaled 10,907 bales (of 500 pounds gross), including 8,095 from Mexico, 2,336 from India, 326 from Egypt, and 150 from Peru.

- - - - -

The Government of Egypt late on November 23 approved decrees for the purchase of the 1952-53 cotton crop at 67.50 tallaris (39.11 U.S. cents per pound) for Good Karnak and 60 Tallaris (34.76 U.S. cents per pound) for Good Ashmouni, and for the sale of its cotton by public auction. Fifty million pounds (approximately 140,000,000 U.S. dollars) of Treasury notes have been authorized to finance the buying program. The Government also decreed the closing of the Alexandria cotton futures market for an indefinite period and of the liquidation of outstanding futures contracts on the basis of prices prevailing on November 22.

FOREIGN CROPS AND MARKETS

Published weekly to inform producers, processors, distributors and consumers of farm products of current developments abroad in the crop and livestock industries, foreign trends in prices and consumption of farm products, and world agricultural trade. Circulation of this periodical is free to persons in the U.S. needing the information it contains in farming, business and professional operations. Issued by the Office of Foreign Agricultural Relations of the U. S. Department of Agriculture, Washington 25, D. C.

WORLD SOYBEAN PRODUCTION MAY BE SECOND LARGEST OF RECORD

World soybean production in 1952 is forecast by the Office of Foreign Agricultural Relations at 650.0 million bushels--the second largest soybean crop of record. It was exceeded only by the 1950 harvest, now revised upward to 671.7 million bushels. Moreover, this volume of production represents a slight increase--roughly 10 million bushels or 1.5 percent--from last year's above-average outturn.

Over 90 percent of the estimated world production of soybeans is concentrated in the United States and the Chinese mainland. The remainder is grown in scattered areas, with the most significant production in Japan, Indonesia, Korea, Canada, and Brazil.

The increase from 1951 represents the expansion which is estimated for the free world on the basis of comparatively reliable information. With reliable data lacking for the China mainland, the Soviet Union, North Korea and the Balkan countries, excepting Yugoslavia, estimated output in these areas is largely speculative.

The areas of the free world account for over one-half of the estimated total soybean production. The United States alone has produced about 45 percent of the total in recent years compared with only about 12 percent in prewar years. This year's soybean harvest in the United States, estimated at 289.3 million bushels, is the second largest ever produced, surpassing 1951 by 3 percent and reaching 97 percent of the all-time high of 1950. A record acreage was harvested for beans. The harvesting season was perhaps the most favorable of record, according to the Bureau of Agricultural Economics. Harvesting losses were considerably less than usual and the quality of the crop in most producing areas is reported as exceptionally good.

Canadian soybean production, currently confined to Ontario, has set a new record for the ninth successive year. Output is up 7 percent from last year and is 20 times the prewar volume. Acreage also was at a new high.

European production is comparatively small and is concentrated almost entirely in the Balkan countries. The harvest in this area undoubtedly was down sharply because of severe drought throughout the season.

Soybean production and acreage in Japan declined by about 2 percent from the 1951 crop, which represented the highest level of production since the early 1920's. A gradual expansion in Indonesian soybean production has been reported and the 1952 crop may have increased significantly from 1951.

SOYBEANS: Acreage, yield per acre, and production in specified countries and the world, averages 1935-39 and 1945-49, annual 1950-52 1/

Continent and country	Acreage 2/ Average 1935-39	Acreage 2/ Average 1945-49	Acreage 2/ 1950	Acreage 2/ 1951	Acreage 2/ 1952 3/	Yield per acre Average 1935-39	Yield per acre Average 1945-49	Yield per acre 1950	Yield per acre 1951	Yield per acre 1952 3/	Production Average 1935-39	Production Average 1945-49	Production 1950	Production 1951	Production 1952 3/
	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	Bushels	Bushels	Bushels	Bushels	Bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
NORTH AMERICA															
Canada	4/ 10	73	142	155	172	21.3	20.5	23.4	24.8	24.0	4/ 207	1,491	3,323	3,843	4,128
United States 5/	3,042	10,649	13,814	13,211	13,906	18.5	19.6	21.7	21.2	20.8	56,167	208,885	299,279	280,512	289,268
EUROPE															
Italy	6/	4	2	2	2	12.1	17.8	17.9	22.0	17.5	4/ 1	74	26	34	35
Yugoslavia	5	15	32	18	-	14.9	10.1	4.6	8.7	-	71	155	149	157	-
Other Europe	93	68	79	95	95	-	-	-	-	-	1,067	456	410	588	487
U.S.S.R. (Europe and Asia)	7/ 607	-	-	-	-	-	-	-	-	-	7/ 5,805	-	-	-	-
ASIA															
Turkey	7/ 1	4/ 4	5	6	6	29.0	10.9	13.4	11.4	12.5	7/ 37	45	66	73	75
China proper (22 provinces)	12,411	11,256	-	-	-	16.7	16.9	-	-	-	207,666	190,248	-	-	-
Manchuria	8,992	4/ 7,048	7,400	6,600	-	16.8	16.5	16.7	16.7	-	151,294	4/ 116,475	124,000	111,150	-
Japan	797	612	1,021	1,059	1,037	15.6	12.1	16.1	16.7	16.8	12,338	7,432	16,421	17,704	17,416
Taiwan (Formosa)	4/ 17	32	50	-	-	8.9	9.4	9.2	-	-	4/ 151	297	460	445	-
Korea 8/	4/ 1,921	576	-	617	-	10.0	9.0	-	6.6	-	17,654	5,167	-	4,070	-
Indonesia 9/	889	661	808	932	940	11.0	9.7	11.1	9.9	10.6	9,731	6,393	9,002	9,193	10,000
SOUTH AMERICA															
Brazil 10/	-	23	-	89	149	-	19.0	-	25.5	16.2	-	446	1,310	2,265	2,407
AFRICA															
Tanganyika	-	-	-	-	-	-	-	-	-	-	-	40	31	37	-
Union of South Africa	-	4/ 10	9	12	-	-	5.2	6.3	7.5	-	-	4/ 54	55	92	55
Total excluding "Other Europe," U.S.S.R., Chinese Mainland and North Korea	5,670	11,750	16,725	16,295	17,035	-	-	-	-	-	87,190	231,335	337,395	319,860	329,440
World total 11/	29,000	32,580	37,625	36,360	37,100	-	-	-	-	-	463,720	549,065	671,690	640,480	650,000

1/ Years shown refer to years of harvest. Southern Hemisphere crops which are harvested in the early part of the year are combined with those of the Northern Hemisphere harvested the latter part of the same year. 2/ Figures refer to harvested areas as far as possible. 3/ Preliminary. 4/ Average of less than 5 years. 5/ Acreage harvested for beans. 6/ Less than 500 acres. 7/ One year only. 8/ Beginning with 1948 figures represent South Korea only. 9/ Java and Madura only. 10/ Rio Grande do Sul and Sao Paulo. 11/ Includes estimates for the above countries for which data are not available and for minor producing countries.

Office of Foreign Agricultural Relations. Prepared or estimated on the basis of official statistics of foreign governments, reports of United States Foreign Service officers, results of office research, or other information. Prewar estimates for countries having changed boundaries have been adjusted to conform to present boundaries, except as noted.

Brazil harvested a record soybean crop in 1952 (May and June). The outturn in Rio Grande do Sul, where about 99 percent of the crop is grown, did not, however, meet earlier expectations because of unseasonal dry weather. Production in Sao Paulo declined as a result of acreage reduction. September and October plantings in both States for harvest in 1953 are expected to increase substantially. In Rio Grande do Sul, reports indicate that new plantings are being made in the southwestern part of the State which in the past had been used almost exclusively for cattle. In Sao Paula, one of the largest oilseed crushers is carrying on a campaign to increase soybean production.

African soybean production continues to be relatively small.

This is one of a series of regularly scheduled reports on world agricultural production approved by the Office of Foreign Agricultural Relations Committee on Foreign Crop and Livestock Statistics. It is based in part upon U.S. Foreign Service reports.

SPANISH 1952-53 PICKLED OLIVE PACK SMALL

The 1952-53 season Spanish pickled olive pack in the Seville District is estimated at only 21,600 short tons compared with 60,600 tons in 1951-52 and 43,800 tons in 1950-51. The estimate is only 58 percent of the 10-year (1940-41/1949-50) average of 37,200 tons and 49 percent of the 5-year (1945-46/1949-50) average of 44,400 tons. This season's estimate is for 9,600 short tons of Queens compared with 35,400 tons last season and 16,400 tons in 1950-51.

The present estimate for Manzanillas is 12,000 short tons compared with 25,200 last year and 27,400 tons in 1950-51. The expected 1952-53 pack is the smallest since 1949-50 when only 15,800 tons were put up. These estimates relate to types normally used for export. In addition to the estimates above are 5,300 tons of Queens and Manzanillas from the province of Badajoz which are not exportable and 2,200 tons of Moron and Rapazalla olives produced in Seville but not exportable to the United States and Canada.

In terms of hogshead, this season's indicated pack is 20,000 hogsheads of Queens compared with 73,700 hogsheads in 1951 and 34,200 hogsheads in 1950. The pack of Manzanillas is 25,000 hogsheads compared with 52,600 hogsheads in 1951 and 57,000 in 1950. A hogshead is about 160 United States gallons. It is now estimated that of the above quantities, about 11,000 hogsheads of Queens and 12,000 hogshead of Manzanillas will be suitable size and quality to interest United States and Canadian importers. This is the equivalent of about 1,760,000 gallons of Queens and 1,920,000 gallons of Manzanillas available for possible shipment to the United States and Canada this season from the 1952-53 pack.

SPAIN: Estimated production of pickled olives, 1952-53 with comparisons

(Rounded to nearest 100 short tons)

Year	Queens	Manzanillas	Total
	Short tons	Short tons	Short tons
Average:			
1940-41/1949-50	19,200	18,000	37,200
1945-46/1949-50	22,600	21,800	44,400
Annual:			
1945-46	13,100	17,200	30,300
1946-47	33,600	28,800	62,400
1947-48	28,800	25,000	53,800
1948-49	3,800	12,000	15,800
1949-50	33,800	26,200	60,000
1950-51	16,400	27,400	43,800
1951-52 1/	35,400	25,200	60,600
1952-53 1/	9,600	12,000	21,600

1/ Preliminary.

UNITED STATES: Imports of pickled olives from Spain (Calendar year)

Year	Pitted or stuffed	Unpitted (in brine)	Total
	1,000 gallons	1,000 gallons	1,000 gallons
Average:			
1942-51	5,896	2,874	8,770
1947-51	6,229	2,847	9,076
Annual:			
1947	3,697	2,597	6,294
1948	7,108	3,785	10,893
1949	4,808	1,417	6,225
1950	8,261	3,620	11,881
1951	7,273	2,815	10,088
1952 1/	7,423	2,927	10,350

1/ 9 months January through September.
Compiled from official sources of the Bureau of the Census.

Office of Foreign Agricultural Relations.
Prepared or estimated on the basis of official statistics of foreign governments, results of office research, Trade and other information.

This season's pack followed a very large one and was expected to be smaller. According to available information, olive flies and other insects caused more damage than normal and the hot weather of last summer also did some damage. In general packers are experiencing a little difficulty in preparing the usual high quality pack.

The estimated carry-over of pickled olives from the 1951-52 pack on October 1, 1952 was 25,000 hogsheads of Queens and 15,000 hogsheads of Manzanillas. All of which are reported to be of suitable grade and quality for shipment to the United States. A year ago at the same time there were an estimated 17,500 hogsheads of Queens and 4,500 hogsheads of Manzanillas remaining from the 1950-51 pack. This large carry-over, plus the new pack, appears sufficient to meet normal export requirements to the United States. It is roughly equivalent to last season's export to the United States. At this writing Spanish exporters believe the entire new-pack and carry-over will be sold before the next pack comes to market in 1953-54.

The Spanish government on August 5, 1952 issued the official price regulations for purchases from growers which in effect are the same as those issued last year. Growers are not satisfied with these prices and packers are forced to pay higher than the minimum prices. The government has also raised the wages paid to workers in packing plants by 25 percent but eliminated minimum wages so that more efficiency is expected. The wages paid are on a piece work basis, the more industrious workers making more than the inefficient.

The official export prices in effect last season applied also to this season up to November 20, 1952. A new set of official prices is expected to be announced for the present season. There are opinions being expressed that prices may be raised and others that no change will be made. The cost of raw fruit and processing has definitely increased over that of last year. There was a reduction in ocean freight rates for a few months during 1952; however, it is understood to be back to $14.10 per hogshead and $5.65 per barrel among the conference lines. It is reported one line is still charging on the cut-rate basis and doing considerable business.--By Walter R. Schreiber.

SPANISH GUINEA RELAXES
CONTROL OF CACAO BEANS

The trade, prices and transportation of cacao beans have been partially freed from controls in Spanish Guinea effective September 27, 1952. The action is attributed to (1) favorable changes in the abnormal conditions occurring in recent years, including increased production which at present exceeds the needs of the Spanish national market, (2) existing possibilities for exporting surpluses, and (3) the fact that available sugar stocks are large enough to insure adequate supplies to domestic cacao processors. However, in line with recommendations from the different government agencies the Presidency of the Government will fix quotas for domestic consumption and export with details of quantity and destination of exports to be fixed by the Ministry of Commerce on the basis of the seasonal export quota.

For many years controls over cacao were exercised by the Cacao Committee now composed of 2 state representatives appointed by the Presidency to act as President and Vice President of the Committee, 6 members appointed in accordance with rules fixed by the Presidency to represent the agricultural interests of the Colony, a managing director, appointed by the Direccion General de Marruecos y Colonias with the approval of the members representing the agricultural interests and 6 members representing the chocolate industry appointed according to proposals of the Ministries of Industry and Commerce.

This new committee is charged with the preparation of an annual report for the Presidency covering volume and value of the crop, home market needs and amounts which might be exported. It will also perform certain work with the classification, and eventually inspection, of commercial shipments and maintain data on stocks in the Spanish market and acreage and production on the cacao farms of Spanish Guinea. They are expected to promote cooperation between the growers with the object of improving the quality of the beans and to purchase for distribution to growers commodities needed by them.

Transactions in cacao for domestic consumption may be concluded freely between the growers and the processors; however, the Cacao Committee shall keep a check to guarantee that the domestic market is adequately supplied and that selling prices are not affected by speculative influences.

Growers and processors are required to furnish the Committee, within 8 days after the conclusion of a contract, the terms of such a contract, with an indication of the names of the seller and buyer, amount involved, price, quality and use for which the cacao is purchased.

CANADA'S OILSEED PRODUCTION WELL ABOVE 1951 LEVEL

Canada's 1952 production of oilseeds, with the exception of sunflower seed, is well above the 1951 level, according to W.L. Rodman, American Embassy, Ottawa, and the Dominion Bureau of Statistics, Ottawa. Flaxseed production is estimated at 13 million bushels against last year's 9.9 million. All but 1 million bushels of this year's flaxseed was grown in the Prairie Provinces, with Manitoba's 5.7 million bushels accounting for 44 percent of the total. Soybean production, currently confined to Ontario Province, set a new record of 4.1 million bushels, some 300,000 bushels greater than the 1951 crop.

Rapeseed production, estimated at 15.9 million pounds, was double the 1951 outturn despite the fact that rapeseed oil is still not accepted for edible purposes in Canada. The increase from last year resulted from greater acreage in Saskatchewan and the extension of the growing of rapeseed to Manitoba, the first time in some years that significant quantities of this crop have been grown outside Saskatchewan. The Saskatchewan crop is estimated at 11.4 million pounds while the Manitoba crop is placed at 4.5 million. No contract price for rapeseed was announced this year. As most of the crop is grown for export, it is believed that advance orders from foreign markets stimulated the increase in rapeseed acreage and will absorb almost the entire 1952 production.

Sunflowerseed production, at present grown only in Manitoba, continued the downward trend of the past few years. The 1952 crop is estimated at 2.3 million pounds from 3,500 acres against 6.4 million from 21,500 acres in 1951. The declining interest in sunflower seed on the part of growers is explained by (1) the fact that present varieties are subject to heavy damage by rust and (2) monetary returns per acre are unfavorable by comparison with competitive crops.

No difficulty is anticipated in marketing domestically the current small crop at the 1951 price level of 5 cents per pound. However, unless disease-resistant varieties are developed and the price to growers raised, sunflower seed soon may cease to be a commercial crop in Canada.

BURMA'S VEGETABLE OIL
SUPPLY UP IN 1952

Total supplies of vegetable oils in Burma during 1952 are estimated at about 90,000 short tons, or almost 15 percent greater than supplies of 78,400 tons in 1951, reports J.H. Boulware, American Embassy, Rangoon. Except for sesame, the acreage planted to oilseeds in 1952-53 increased slightly over that of the previous season. This increase reflects improvements in security conditions in producing areas and the continuing favorable, although slightly lower, prices for vegetable oils. It is doubtful, however, that production in 1952-53 will exceed that of the previous year when yields of peanuts and sesame were unusually good. Estimated acreage for the last 2 crops and production for 1951-52 are shown below:

Crop	1951-52		1952-53
	1,000 acres	1,000 short tons	1,000 acres
Peanuts	721	198.2	725
Sesame	1,321	54.0	1,317
Cottonseed	255	14.8	268

Little change in stocks of oilseed or oils occurred during 1952, according to available information. In early 1951 oil stocks were at low levels and prices were high. In mid-1951 the Government of Burma discontinued the requirement of import licenses for vegetable oils, thus permitting uncontrolled imports (from the sterling area). At about the same time India and Burma entered into a 5-year trade agreement including a provision that India would make available 8,000 long tons of peanut oil annually for shipment to Burma. The result was a substantial rise in imports in late 1951 that continued in 1952. Since late 1951, stocks apparently have been adequate and the consumer price of vegetable oils has been reasonable.

Imports of vegetable oils during October 1951-September 1952 (Burma Fiscal Year 1952) were as follows: peanut oil--11,993 short tons, coconut oil--21,189; linseed oil--438; and other oils (including margarine)--432 tons. These imports--totaling 34,052 tons--were more than two-thirds larger than the total volume imported during the previous year.

NEW ZEALAND MEAT PRODUCTION
UP IN 1951-52

During the New Zealand production season ended September 30, 1952, inspected alaughter of cattle, sheep and lambs was substantially larger than in the previous year; the slaughter of calves was about the same, and hog slaughter was lower.

Production of frozen meat for export during the season ended September 30, 1952 totaled 778.4 million pounds compared with 656.4 million pounds in 1950-51. Killings for export in 1950-51 were at a very low level due to a shipping strike which disrupted exports, and high wool prices which led to the holding of sheep on farms. However, the 1951-52 season saw a return to more normal conditions and an increase in killings. Thus, although production for export was about 112 million pounds greater in 1951-52 than in the previous year, it was slightly less than the 789.3 million pounds produced in 1949-50, a normal season.

With total domestic consumption of meat during 1951-52 estimated as about equal to consumption in 1950-51 (461.4 million pounds) and with about 44.8 million pounds of meat used for canning, total meat production in New Zealand during the 1951-52 season can be estimated at about 1,288.0 million pounds. This is close to being equal to total production in the 1949-50 season (1,292.5 million pounds) and substantially greater than production in 1950-51 (1,187.2 million pounds).

URUGUAY WOOL MARKET
ACTIVE IN OCTOBER

October wool sales and exports from Uruguay were the largest in many months, with European buyers transacting for the bulk of the purchases. Prices worked up slowly from September levels but by mid-November were down slightly as buying slowed down.

Total wool exports during October amounted to 23,258 bales, the largest monthly volume since January 1951. The shipments were made up of 19,462 bales greasy and washed, 3,261 bales tops, and 535 bales other processed. By comparison exports for October 1951 totaled only 1,138 bales, those for October 1950 amounted to 9,555 bales. The increase in shipments to European destinations is significant. For the first time since World War II the United States lost its position to the United Kingdom as the leading destination for Uruguayan wool exports. France, Italy, and Belgium were also important destinations.

Wool stocks (1951-52 clip) in all positions, pending export, are estimated at about 55 million pounds greasy. Current season production of about 195 million less domestic consumption of about 15 million pounds plus the carryin thus indicates an availability for export of about 235 million pounds, greasy basis. Storage in Montevideo warehouse is becoming a problem as wool deliveries from October 1 to November 13 amounted to nearly 15 million pounds compared with about 6 million pounds in the same period a year ago.

CATTLE SITUATION IN ARGENTINA THIRD QUARTER 1952

Marketing of cattle in Argentina decreased more than seasonally in the third quarter leaving January-September receipts 2 percent under last year. Slaughter at central frigorificos dropped sharply and was below usual domestic requirements from mid-August through September. Frozen stocks were reduced to supplement local supplies and to provide small exports.

Per-capita consumption of beef was significantly reduced in Buenos Aires and Rosario but was well maintained in rural areas. Cattle prices edged upward during the quarter followed by sharp gains in October when ceiling prices at Liniers and Rosario markets were removed, although still indirectly controlled by ceilings on wholesale beef. If movement to market continues high as in October, fourth-quarter sales will be much improved and the total for 1952 should be very near the total of the previous year.

Pastures and forage crops were excellent from July through September. Ground water reserves were more than maintained and with warmer weather grasses made good growth. Good carrying capacity was accentuated by light stocking in many areas. Present pastures and alfalfa are very good and the soil moisture will carry them into 1953.

MEXICAN WHEAT ACREAGE TO INCREASE

Wheat acreage for the 1953 crop in Mexico is expected to be somewhat larger than the 1.7 million acres seeded for the 1952 crop. Seeding is now taking place under favorable conditions in Sonora. If proposed increases are made the total area may approach 2 million acres, a gain of about 18 percent over the 1952 crop acreage.

Increased wheat production would reduce Mexico's import requirements, as wheat remains the country's largest deficit crop. About 325,000 metric tons (12 million bushels) were imported during the first 9 months of 1952. Monthly imports continue strong but are expected to show some decline during 1953.

Wheat prices have strengthened since the last of September. The schedule of prices announced May 2, 1952 and originally intended as maximum prices was changed in October to constitute guaranteed minimum prices. At that time the Government authorized millers to buy wheat at the official prices. Recent sales of quality white, and red wheats have been made at slight increases over the guaranteed prices of $2.53 and $2.62 per bushel respectively.

Movement of wheat supplies has been more active since the government stated that no further change would be made in the official prices and that no foreign flour would be imported, at least until after April 1953.

AUSTRALIAN WHEAT
PROSPECTS IMPROVE

Prospects for the Australian wheat crop have improved, and the outturn is now forecast at about the same figure as the 1951-52 harvest. Unfavorable conditions earlier in the season led to forecasts of an even smaller crop than the below-average production of a year ago. Improved prospects followed widespread rains over most of the wheat belt in October. Reduced acreage is offset by better yields than those of a year ago.

The present estimate of 160.8 million bushels is about the same as the revised estimate of 159.7 million bushels for last year's crop. Though little change is indicated in the total, sizable changes are noted for some States. The largest change is for Queensland, where the crop is estimated more than double that of last season, because of a substantial acreage increase and better yields. An offsetting reduction is reported for Western Australia, where unfavorable growing conditions have lowered yields and the October rains were too late to repair damage caused by sub-normal moisture in the northern and central area of the State throughout the growing season.

Deliveries to the Australian Wheat Board appear likely to be about the same as the 145 million bushels delivered in 1951-52. The exportable surplus from that amount, after deducting domestic requirements, would be around 75 million bushels. As this is below Australia's export commitment of 88.7 million bushels under the terms of the International Wheat Agreement, it would seem that, as in the 1951-52 year, the quota will have to be reduced.

Wheat growers are to have an increased advance on 1952-53 wheat marketings. The Ministry for commerce and Agriculture announced an advance of 12S per bushel ($1.34 in United States currency) for bulk wheat and 12S.9d ($1.42) for bagged grain, both less freight. The advance is to be made in the usual way by the Wheat Board on delivery, and is the highest advance yet paid.

The present Wheat Stabilization Scheme is due to expire at the end of the 1952-53 wheat marketing season. While it is considered inadvisable to complete any long term plan at present, it has been decided to recommend that the Scheme be continued for another year subject to the following conditions:

1. The formula for assessing production costs be reviewed.
2. The selling price for stock feed to be the ruling International Wheat Agreement price, or a related export parity.
3. No provision to be made for the payment of interstate freight by growers.

The Government of South Australia, however, refuses to ratify the above recommendation. This means that the Commonwealth and State Governments must adopt some other plan mutually acceptable to growers and to all State Governments or stablization, in effect for a 5-year period, would come to an end.

AUSTRALIA: Wheat acreage and production by States, 1952-53 with comparisons

State	Av. 1940-41 to 1949-50	1950-51	1951-52	1952-53 1/
	1,000 acres	1,000 acres	1,000 acres	1,000 acres
Acreage				
New South Wales......	3,834	3,328	2,753	2,300
Victoria.............	2,731	2,735	2,464	2,280
Queensland...........	387	559	400	700
South Australia......	2,107	1,848	1,613	1,530
Western Australia....	2,290	3,200	3,095	3,000
Tasmania.............	6	5	5	6
Australian Capital... Territory.........	3	2	1	1
Total................	11,358	11,677	10,331	9,817
Production	1,000 bu.	1,000 bu.	1,000 bu.	1,000 bu.
New South Wales......	50,883	43,273	39,689	42,000
Victoria.............	35,757	51,236	45,995	44,000
Queensland...........	7,151	8,785	6,600	16,000
South Australia......	25,078	30,936	27,301	26,000
Western Australia....	26,562	49,900	40,000	32,700
Tasmania.............	118	95	100	120
Australian Capital Territory	49	35	10	10
Total................	145,598	184,260	159,695	160,830

1/ Preliminary estimate.

From official sources.

CANADIAN APPLE
PROSPECTS DECLINE

The Canadian apple crop is now indicated at 11,783,000 bushels compared with 12,785,000 bushels forecast a month earlier and 13,610,000 bushels produced in 1951.

Crop prospects declined during October in Ontario and British Columbia. The eastern provinces (Nova Scotia, New Brunswick, Quebec and Ontario) have a combined indicated total of 5,461,000 bushels this season against 8,510,000 bushels last year. British columbia prospects show a decrease from a month ago, 7,104,000 bushels to 6,322,000 bushels, but an increase over the 5,100,000 bushels produced last season. For all of Canada the decrease from a year earlier is 1,827,000 bushels which together with a decrease in the United States of 18 million bushels make a North American deficit of about 20 million bushels or about one-sixth.

1952-53 COTTON
PROSPECTS IN PAKISTAN

The second official cotton forecast for Pakistan places the 1952-53 acreage at 3,193,000 acres. This consists of 2,762,000 acres of American-type cotton and 431,000 acres of Desi. This was an increase of 0.5 and 33.4 percent, respectively, over the second 1951-52 forecast for these types. In past years preliminary official acreage estimates have been much lower than the final estimate. The final 1951-52 cotton acreage totaled 3,376,000 acres.

Weather conditions have been generally favorable this season, and it is anticipated that average yields per acre will be above those of a year ago. Official forecasts of production are not yet available, but trade sources indicate a crop of about 1,425,000 bales (500 pounds gross). Such a production would be 145,000 bales larger than in 1951-52.

Abnormally large stocks were held at the beginning of the 1952-53 season despite increased exports during the last several months of the past season. These larger exports toward the end of 1951-52 reflected the effects of the government-support program effective until September 1, 1952, under which substantial quantities of cotton were bought by the government and later sold for export at substantial discounts. The stocks on hand August 1, 1952, 350,000 bales (500 pounds gross), were 172,000 bales above holdings a year earlier. Also, another contributing factor was the reduction of the export duty on cotton in September 1951 (for details see Foreign Crops and Markets October 20, 1952). The large inventories of cotton brought into the 1952-53 season, together with the expected large crop this year, prompted the Government of Pakistan to take several steps to encourage the exports of cotton during the current season. Announcement was made on September 10, 1952, of the abolishment of the export duty on Desi and Comilla types and the reduction of the duty on other types from 180 rupees to 90 rupees per maund (13.85 to 6.93 cents a pound). These steps were taken to bring Pakistan's prices more nearly in line with foreign prices and thus stimulate export sales. Also, the ban on futures trading in cotton has been rescinded. Substantial quantities of cotton have been exported thus far this season, particularly to China, the Soviet Union, and Japan.

The consumption of raw cotton for all purposes during the past season is estimated at about 160,000 bales (500 pounds gross). Present indications point to a slight increase in consumption in 1952-53. There are now 32 cotton textile mills in Pakistan with 339,000 spindles and 11,000 looms.

The Government of Pakistan has recently appointed a 3-man committee to study the feasibility of developing a program to aid in the production and marketing of agricultural products, including cotton, in Pakistan. The difficulties in maintaining the exports of cotton at desirable levels were partly responsible for the appointment of this committee. The committee is expected to make recommendations in the immediate future.

1952-53 COTTON PRODUCTION IN IRAN ABOVE 1951-52

The 1952-53 production of cotton in Iran is currently forecast at 165,000 bales (500 pounds gross), an increase of 41,000 bales over last season. This year's larger crop reflects the effects of increased acreage (445,000 acres compared with 370,000 acres in 1951-52) and higher yields per acre. Several factors contributed to this year's larger acreage, i.e., the favorable price of cotton during the planting season and the work of the Cotton Expansion and Development Company of the Seven-Year Plan Organization. This Company provided seed to growers, made some cash advances, and otherwise encouraged larger plantings.

Weather conditions during the 1952-53 season have been generally favorable. Rainfall during the spring months was above average and provided adequate moisture during the planting season, particularly in the northern part of the country where most of the crop is grown. Insect damage this year has been confined to the Caspian area where army worms did minor damage.

The consumption of raw cotton in Iran during 1952-53 is now expected to be about equal to last season's total of 69,000 bales (500 pounds gross). Consumption during 1950-51 totaled 46,000 bales. A new spinning and weaving factory was established near Tehran during the past season. This factory has 20,000 spindles and 800 looms. The cotton-textile industry is the most important industry in Iran with the exception of petroleum. It is estimated that about 35,000 people are employed regularly in Iran's textile mills. Despite the expansion of the textile industry in Iran the local production of textiles does not meet the domestic demand and considerable quantities are imported. However, import restrictions have been imposed upon competitive textile products, and the government is encouraging the expansion of the domestic textile industry--both government-owned and private textile mills.

Stocks of raw cotton on hand at the beginning of the current season (August 1, 1952) totaled 25,600 bales (500 pounds gross) compared with 10,000 bales a year earlier. There were no imports last season and exports totaled 40,000 bales.

U. S. COTTON EXPORTS STILL LAGGING

Exports of cotton from the United States in September 1952 amounted to 251,000 bales of 500 pounds (241,000 running bales), making an August-September 1952 accumulation of 362,000 bales (347,000 running bales). This total is only 69 percent of the 524,000 bales (502,000 running bales) exported during the corresponding period a year ago when the cotton export trade was heavier than normal. Several factors have contributed to this decline, the most important of which are discussed in this article.

(Continued on Page 518)

UNITED STATES: Exports of cotton by countries of destination; averages 1934-38 and 1945-49; annual 1950-51 and 1951-52; August-September 1951 and 1952

(Equivalent bales of 500 pounds gross)

Countries of destination	Year beginning August 1				August-Sept.	
	Averages		1950-51	1951-52	1951	1953
	1934-38	1945-49				
	1,000 bales	1,000 bales	1,000 bales	1,000 bales	1,000 bales	1,000 bales
Austria	0	1/ 36	55	32	2/	2
Belgium-Luxembourg	147	131	80	317	42	12
Czechoslovakia	65	57	6	0	0	0
Denmark	35	14	31	34	4	3
Finland	35	21	3	33	4	0
France	589	575	447	309	21	28
Germany	579	340	481	447	51	27
Greece	2	21	1	0	0	0
Italy	430	489	546	560	2	8
Netherlands	86	131	158	197	13	7
Norway	13	7	20	15	3	1
Poland and Danzig	224	69	1	0	0	0
Spain	101	69	66	203	25	38
Sweden	93	12	33	100	5	1
Switzerland	2	26	22	99	14	2
United Kingdom	1,097	488	307	662	102	57
Yugoslavia	10	47	78	122	10	0
Other Europe	3/ 85	12	12	4/ 28	1	1
Total Europe	3,593	2,545	2,347	3,158	297	187
Canada	261	275	431	296	37	27
Chile	5/	20	48	35	6	2/
Colombia	17	24	55	53	7	18
Cuba	7	16	24	20	3	1
India	44	86	219	778	21	14
China	55	401	54	0	0	0
Hong Kong	2/	35	27	0	0	0
Indonesia	2/	5	16	14	2	1
Japan	1,271	585	883	1,095	132	78
Korea, Republic of	5/	6/ 48	36	55	0	15
Australia	5	7	0	50	1	2/
Other countries	43	18	140	7/ 158	18	8/21
Total	5,296	4,065	4,280	5,712	524	362

1/ 4-year average. 2/ Less than 500 bales. 3/ Includes Portugal 39, Soviet Union 23. 4/ Portugal 21. 5/ If any, included in Other countries. 6/ 3-year average. 7/ Taiwan 53, French Indochina 24. 8/ Taiwan 15.

Compiled from official records of the Bureau of the Census.

WORLD TOBACCO PRODUCTION FORECAST 2 PERCENT LOWER

The world's 1952-53 (July 1952 through June 30, 1953) tobacco harvest is now forecast at 7,196 million pounds as compared with 7,371 million pounds in 1951-52 and postwar (1945-49) annual average of 6,799 million pounds. A 1952-53 forecast excluding the Soviet Union, China, and most of Eastern Europe is 5,298 million pounds. This compares with the 1951-52 estimate of 5,440 million pounds and a postwar annual average of 4,845 million pounds.

This world forecast is only for countries shown and does not include tobacco produced in other countries which is consumed domestically and is of little importance. This forecast also includes production in the Torrid and South Temperate zones for the 1952-53 harvests which will occur during the first half of 1953. Therefore, world production may vary considerably from the above forecast.

A substantial decrease in North America and Europe largely accounted for the lower forecast which is partially offset by moderate increases in the other continents. The decrease in production in both the United States and Europe is attributed primarily to widespread drouth conditions.

The 1952-53 production of flue-cured leaf, the principal type entering world trade, will be smaller than the 1951-52 harvest. The decrease in flue-cured production in the United States, by far the largest single producing country, is primarily the reason for the smaller world crop, as increases are indicated for Southern Rhodesia, India, Pakistan.

The 1952-53 harvest of Oriental or Turkish type leaf, another important type entering world trade, will be below the 1951-52 estimate, as decreases have been reported in practically all countries producing this type of leaf except Turkey, which shows only a slight increase. The decrease in Greece, Yugoslavia, and Italy is attributed to smaller acreage combined with lower yields this season due to unfavorable weather conditions. While the production of this type of leaf is lower, the quality is reported to be above average.

World production of light air-cured types including Burley, which represents an important portion of total production in many countries, is forecast slightly lower in 1952 because of moderate decreases in the major producing areas. This decrease is also attributed to drouth conditions. The production of dark air-cured types, other than strictly cigar types, is expected to be about the same level as 1951-52. A decrease is indicated for the United States. Production of cigar types may be slightly higher as increases are forecast for Cuba, the Dominican Republic and Indonesia, which should more than offset the decrease in the United States and the Philippine Republic.

This is one of a series of regularly scheduled reports on world agricultural production approved by the Office of Foreign Agricultural Relations Committee on Foreign Crop and Livestock Statistics. It is based in part upon U.S. Foreign Service reports.

TOBACCO: Estimated production in specified countries, average 1935-39, 1945-49, crop year 1951 and 1952 1/

Continent and Country	Acreage Harvested: Averages 1935-39	Acreage Harvested: Averages 1945-49	Acreage Harvested: 1951 3/	Acreage Harvested: 1952 3/	Yield per Acre 2/: Averages 1935-39	Yield per Acre 2/: Averages 1945-49	Yield per Acre 2/: 1951 3/	Yield per Acre 2/: 1952 3/	Production: Averages 1935-39	Production: Averages 1945-49	Production: 1951 3/	Production: 1952 3/
	1,000 acres	1,000 acres	1,000 acres	1,000 acres	Pounds	Pounds	Pounds	Pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
NORTH AMERICA:												
Canada	69	110	119	89	1,103	1,103	1,293	1,524	76,556	121,373	153,792	135,400
Mexico	51	89	91	90	840	899	631	700	42,426	80,068	57,672	63,000
United States	1,647	1,765	1,781	1,789	887	1,176	1,307	1,247	1,460,054	2,075,960	2,328,226	2,231,188
Cuba	107	132	144	150	447	559	542	567	50,833	73,812	78,000	85,000
Dominican Republic	25	47	41	45	900	959	967	889	4/ 22,209	45,093	39,682	40,000
Puerto Rico	44	34	34	33	673	800	844	880	29,393	27,231	28,527	29,000
Estimated total 5/	1,943	2,177	2,210	2,196	-	-	-	-	1,681,471	2,423,537	2,685,899	2,583,588
EUROPE:												
Belgium	6	7	5	5	2,500	1,785	2,150	2,231	16,431	12,499	11,477	12,125
France	44	63	68	69	1,676	1,486	1,628	1,439	72,995	93,614	111,240	99,207
Germany 6/	33	4/ 20	27	25	2,254	4/ 1,610	2,000	1,500	74,355	4/ 32,208	54,000	37,500
Greece	226	172	236	189	589	471	581	494	132,819	81,095	137,134	93,239
Italy	81	117	142	135	1,173	1,044	1,263	1,010	95,511	122,195	179,675	136,024
Spain	4/ 16	23	37	40	4/ 1,100	1,265	1,121	1,283	17,322	29,093	41,537	50,706
Switzerland	1	3	3	3	1,571	1,810	2,090	2,039	2,276	5,431	5,298	5,291
Yugoslavia	39	4/ 70	77	62	969	4/ 890	796	427	37,410	4/ 62,241	61,297	26,455
Total countries shown	446	475	595	528	-	-	-	-	449,119	438,376	601,658	460,547
Other Europe 7/	221	294	243	233	-	-	-	-	214,231	185,779	231,000	198,000
Estimated total 5/	667	769	838	761	-	-	-	-	663,350	624,155	832,658	658,547
U.S.S.R.	4/ 490	520	520	520	4/ 1,129	865	865	865	4/ 525,000	450,000	450,000	450,000
ASIA:												
Iran	32	38	39	39	1,096	811	681	756	34,542	30,820	26,764	29,652
Iraq	4/ 11	4/ 11	10	15	4/ 752	4/ 750	674	734	4/ 8,057	13,275	6,614	11,023
Lebanon 8/	4/ (13	4/ 14	6	7	4/ (699	4/ 603	719	700	4/ (8,825	4/ 8,444	4,332	5,000
Syria 8/	(	4/ 5	19	20	(	4/ 624	800	800	(	4/ 3,124	15,375	16,000
Turkey	194	290	337	364	661	660	591	553	128,505	191,488	198,925	201,388
Burma	108	120	137	135	990	780	781	778	107,072	93,600	107,000	105,000
Ceylon	4/ 14	4/ 7	11	12	650	4/ 400	707	732	9,000	4/ 2,704	8,000	9,000
China 6/	1,228	1,320	1,250	1,250	1,021	998	1,000	1,000	1,254,539	1,317,065	1,250,000	1,250,000
French Indochina	4/ 44	4/ 26	25	30	4/ 728	4/ 482	572	667	4/ 32,004	4/ 12,522	14,300	20,000
India 6/	4/ 917	858	764	780	4/ 831	705	660	673	4/ 761,000	604,933	504,000	525,000
Pakistan 6/	4/ 355	178	168	170	4/ 913	4/ 944	1,136	912	4/ 324,053	168,040	147,840	155,000
Japan	92	95	133	136	1,621	1,393	1,584	1,584	148,680	132,400	209,973	215,729
Formosa	4	9	14	14	1,458	759	1,275	1,357	5,961	6,838	17,637	19,000
Korea	46	39	49	35	1,252	1,053	1,020	1,200	57,304	41,079	50,000	42,000
Java and Madura:												
Estate	4/ 69	4/ 26	55	55	4/ 976	4/ 549	400	436	4/ 67,762	4/ 14,266	22,050	24,000
Native	4/ 349	4/ 100	220	220	4/ 402	4/ 400	431	432	4/ 140,298	4/ 40,000	94,800	95,000
Sumatra Estate	4/ 31	4/ 9	11	11	4/ 988	4/ 885	553	636	4/ 30,715	4/ 7,966	6,085	7,000
Philippine Republic	176	88	114	100	427	489	524	500	74,811	43,028	59,524	50,000
Thailand (Siam)	4/ 25	40	57	57	4/ 688	511	702	702	4/ 17,179	4/ 20,443	40,000	40,000
Estimated total 5/	3,708	3,273	3,419	3,450	-	-	-	-	3,210,307	2,752,035	2,783,219	2,819,792

SOUTH AMERICA:												
Argentina	34	57	92	100	928	985	841	850	31,558	56,173	77,381	85,000
Brazil	237	315	387	409	851	746	613	687	202,703	235,094	237,442	280,943
Chile	9	7	8	8	1,846	1,944	1,724	1,750	16,618	13,610	13,161	14,000
Colombia	4/ 37	42	51	52	4/ 803	993	875	875	4/ 29,706	41,691	44,974	46,000
Estimated total 5/	317	421	538	569	-	-	-	-	280,585	346,568	372,958	425,943
AFRICA:												
Algeria	56	59	76	68	691	614	542	684	38,667	36,209	40,968	46,296
Nyasaland	57	80	85	85	286	323	315	244	16,311	25,843	26,800	20,700
French Morocco	1	3	5	6	1,040	1,212	825	753	704	3,638	3,748	4,519
Madagascar	4/ 19	8	21	20	4/ 764	644	530	500	4/ 14,164	5,154	10,946	10,000
Northern Rhodesia	4/ 4	13	27	35	4/ 486	400	472	500	4/ 1,635	5,210	12,750	17,500
Southern Rhodesia	51	119	194	195	507	638	597	500	26,061	75,891	97,500	100,000
Union of South Africa	4/ 41	85	80	85	4/ 500	500	508	530	4/ 24,593	42,676	40,648	45,000
Estimated total 5/	229	367	488	494	-	-	-	-	122,135	194,621	233,360	244,015
OCEANIA:												
Australia	10	4	8	10	532	826	957	900	5,276	3,306	7,776	9,000
New Zealand	2	4	4	4	787	1,131	1,364	1,250	1,457	4,527	5,000	5,000
Estimated total 5/	12	8	12	14	-	-	-	-	6,733	7,833	12,776	14,000
Subtotal (excl. of U.S.S.R. China, and Eastern Europe	5,427	5,401	6,012	6,001	-	-	-	-	4,495,811	4,844,905	5,439,870	5,297,885
Estimated total for countries shown 5/	7,366	7,535	8,025	8,004	-	-	-	-	6,489,581	6,798,749	7,370,870	7,195,885

1/ Year beginning July 1. For North temperate zone countries, harvests July through October of the year shown; for all other countries, harvests November and December of the year shown and January through June of the following year. 2/ Yields are calculated from detailed acreage and production estimates rather than estimates rounded to the nearest thousand. 3/ Preliminary. 4/ Less than a 5-year average. 5/ Does not include tobacco produced in several countries of the area which is consumed indigenously and is of minor importance. 6/ Data for 1935-39 not comparable with subsequent years. Data for 1951 and 1952 are post-war areas. In the case of Germany, postwar data are for Western Germany only. In the case of China, postwar data do not include Manchuria. In India and Pakistan, due to changes in the method of estimating acreage and production, postwar data are believed to be more accurate than prewar. 7/ Includes Albania, Bulgaria, Czechoslovakia, Hungary, Poland, and Rumania. 8/ Separate data not available for 1935-39.

Office of Foreign Agricultural Relations. Official estimates of foreign countries, reports from U. S. Foreign Service Officers, results of office research, and other information.

AUSTRIA'S IMPORTS OF
UNMANUFACTURED TOBACCO LOWER

Austria's imports of unmanufactured tobacco during January-June 1952 were 3 percent below the comparable 1951 period, according to E.L. Hart, American Embassy, Vienna.

Total imports of unmanufactured tobacco into Austria during the first 6 months of 1952 total 11.9 million pounds as compared with 12.4 million pounds during the same 1951 period. The United States, the most important source of unmanufactured tobacco in 1952, supplied 5.1 million pounds including 1.1 million pounds of ERP shipments. Greece ranked second, supplying 3.9 million pounds; Turkey ranked third with 1.4 million pounds; and Brazil, fourth with 0.5 million pounds. The remaining 1.0 million pounds were supplied by numerous countries including the Netherlands, India, British South Africa, Dominican Republic and Brazil. In addition to unmanufactured tobacco, Austria imported 2.0 million pounds of cigarettes, 7,496 pounds of cigars and 113,537 pounds of other manufactured tobacco products during January-June 1952.

C O T T O N E X P O R T S--(Continued from Page 513)

In the early part of the 1951-52 market year, foreign-grown cotton of American type was available only in limited quantities and prices were 20 to 25 cents a pound higher (except in Mexico) than those of United States cotton. As a result approximately 4.0 million bales of United States cotton for export had been sold before the end of December; those sales were made without the financing aid which was provided a little later by Mutual Security Agency and Export-Import Bank funds. At the same time, mills in many cotton importing countries were still operating at the high level of 1950-51 and demand for all cotton was still strong.

By contrast at the beginning of the current season (August 1, 1952), the mill industries of most of the countries of the world, both importing and exporting, were just emerging from a period of 6 to 8 months of sharply reduced mill operations because of accumulated inventories of yarn and goods, declining prices, and reduced sales, especially on textile export markets. Prices of cotton were still declining and supplies available appeared to be a little more than adequate to meet demand.

Stocks of cotton in importing countries on August 1, 1952, were adequate but not above normal except in India, to a lesser extent in the United Kingdom, and in a few smaller consuming countries. Under these conditions mill buyers have been cautiously waiting out the downtrend in world cotton prices as far as stocks on hand will permit. This belief is supported by the fact that mill consumption in August and September was higher than imports in nearly all of the foreign countries for which figures are now available.

There are several other indications of possible improvement in the export demand for United States cotton later in the current season. Consumption figures for August are now available for 14 countries of Western Europe, Canada, Japan, and India. September figures also are available for 11 Western European countries, Canada (also October figures), and Japan. In Germany, France, Italy, Netherlands, Finland, Norway, Canada, and Japan, the September consumption figures are above the monthly averages for 1951-52 and are slightly above or slightly below the figures for September 1951. September consumption in Portugal was 1,000 bales larger than in September a year ago. In India, August figures (September figures not available) are well above those for August a year ago. All of the data referred to above indicate an increase in consumption over the low level of the first half of 1952 but they are too meager to use in establishing a definite upward trend for 1952-53.

Another factor that should be considered is that reports from European mills indicate textile export sales are still moving very slowly; however, domestic sales have been larger during recent months and inventories of yarns and goods are generally much lower than those of 8 to 10 months ago when a world-wide recession began in the textile market. Prices of cotton were lower in the past month than they were when the cotton used to produce the goods now being offered for export sale was purchased. It appears likely that hand-to-mouth buying of cotton by mill buyers will end with purchases becoming heavier when it becomes evident that prices have declined to their seasonal low and show a firmer tone.

From the standpoint of competition from foreign growths on the export markets, there are some imposing supply figures and current prices are only slightly above or below the level of United States cotton prices. However, a sizable portion of the stocks accumulated from previous crops are low grades that are difficult to sell, the average quality of the large Brazilian crop of 1951-52 is lower than in the previous year, and stock figures for the Southern Hemisphere as reported by this Office include estimates of unginned cotton which on August 1 (midginning season) are necessarily high.

Government price supports for cotton in Brazil are higher than current prices of competitive growths by 12 to 15 cents a pound (at official rates of exchange) and in Argentina by at least 25 cents. For this reason it will be difficult for the prices of these growths to be reduced sufficiently to dispose of the entire surpluses during the current season, although some sizable contracts may be concluded through barter transactions. Exports from Brazil in August and September amounted to only 14,000 bales, compared with 160,000 for those 2 months in 1951. Exports during January-September 1952 totaled only 124,000 bales against 658,000 a year ago. Another large part, 2.4 million bales, of the foreign surplus of cotton available for export this year is composed of Egyptian cotton not used interchangeably with other growths to any appreciable extent.

Exports to Communist countries, especially from Egypt and Pakistan to the Soviet Union and China in August and September, were much higher than for a similar period last year, thus reducing potential exports to Free World markets. In past years, prices of foreign-grown cotton have tended to rise significantly before available supplies neared exhaustion. Such a development this season with the small discounts currently prevailing in relation to United States cotton could easily shift import demand back to United States cotton in view of the greatly improved dollar position of nearly all of the cotton-importing countries. For this reason it is not likely that all surpluses of competitive foreign cotton will be disposed of before foreign spinners become interested in heavy purchases of United States cotton.

The amount of cotton that may be exported with MSA funds this year may be increased by as much as 30 percent, due partly to the additional quantities that can be purchased with any given sum, because of lower prices. The only information available on financing by the Export-Import Bank is that the program is still in operation and requests by foreign governments for loans to purchase cotton will be given due consideration.

Lastly, the present outlook for next year's cotton acreage in foreign countries, based on preliminary reports from abroad, indicates that some over-all reduction may be anticipated largely because of the sharp decline in their cotton prices from the high levels of 1951 and early 1952. Also, the fact that production of food crops was reduced in favor of cotton in the past 2 years has resulted in more attractive prices for food commodities this year than for cotton.

This situation could be changed by a number of developments before planting of the next crop is begun in the Northern Hemisphere. However, if the prospects for some decline in cotton production still hold during the next 6 months and the surpluses of cotton to enter world markets in 1953-54 appear to be lower, it is possible that foreign spinners will find it advisable to build up their currently low stocks with the low-priced cotton available from 1952-53 supplies. All the above factors point to a possibility of considerable improvement in the rate of exports of United States cotton before the end of the current season.--By Charles H. Barber.